

What You Should Know About The Medicare Prescription Drug Plans Qualify For Extra Help And Pay No Penalty In 2006

2006



We have good news. You still can sign up for a Medicare prescription drug plan and pay no penalty for 2006 if you qualify for extra help. Once you qualify, you have a special enrollment period between May 15 and December 31, 2006, when you can select the Medicare prescription plan of your choice. If you do not select a plan, the Centers for Medicare & Medicaid Services will do it for you.

And most important, the extra help pays for all or part of your monthly premiums and annual deductibles, and lowers your prescription co-payments. The extra help could be worth an average of \$3,700 per year. You may be eligible for the extra help if you are on Medicare and have limited income and resources.

What is the extra help?

- If your annual income is below \$14,700 for an individual (\$19,800 for a married couple living together), you may not have to pay monthly premiums or deductibles, and you could pay as little as \$2 for your co-payments.
- Even if your annual income is higher, you still may be able to get some help with your monthly premiums, annual deductibles and prescription co-payments. For example, your income may be higher and you possibly could get extra help if you or your spouse:
 - Support other family members who live with you;
 - Have earnings from work; or
 - Live in Alaska or Hawaii.
- To qualify, your resources must be limited to \$10,000 for an individual (\$20,000 for a married couple living together). These resource limits can be slightly higher (an additional \$1,500 per person) if you will use some of your money for burial expenses. Resources include such things as bank accounts, stocks and bonds. We do not count your house and car as resources.

What should I do next?

If you have not applied for the extra help or are not getting the extra help automatically, it is easy to apply. Here's how:

- Apply online at www.socialsecurity.gov;
- Apply over the phone by calling Social Security at **1-800-772-1213** (TTY **1-800-325-0778**) or to request that an application be mailed to you; or
- Apply at your local Social Security office.

After you apply, Social Security will review your application and send you a letter to let you know if you qualify for the extra help. You will need to be enrolled in a Medicare-approved prescription drug plan to get this extra help. If you are eligible for the extra help, you can enroll in a plan until December 31, 2006, and you will not pay a penalty. The sooner you join a plan the sooner you begin receiving benefits.

If you are not eligible for the extra help, you still can enroll in a Medicare prescription drug plan between November 15 and December 31, 2006. Because the first enrollment period for most people has passed, you may pay a penalty for late enrollment. This means you will pay a higher monthly premium for as long as you have Medicare prescription drug coverage.

No penalty applies when you first become eligible for Medicare or if you lose prescription drug coverage, that is, on average, at least as good as Medicare prescription drug coverage. You must, however, enroll during your first available enrollment period.

For more information about getting help with your prescription drug costs, call Social Security at **1-800-772-1213** (TTY **1-800-325-0778**) or visit www.socialsecurity.gov.

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www.socialsecurity.gov

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How Social Security can help you with the Medicare prescription drug plans

- Social Security **can help you apply for extra help** paying for your Medicare prescription drug plan costs if you have limited income and resources.
- Social Security **can provide information about the organizations that are available in your community** to help you make choices about enrolling in a plan.

How you can get help to make a decision on enrolling in a specific prescription drug plan

- You can call Medicare at **1-800-MEDICARE (1-800-633-4227)**. If you are deaf or hard of hearing, you can call the toll-free TTY number at **1-877-486-2048**.
- You can visit **www.medicare.gov** on the Internet and use the following tools:
 - **Compare Medicare prescription drug plans**—By entering personalized information, you can find and compare the prescription drug plans in your state that meet your personal needs and enroll in the prescription drug plan that you select.
 - **Formulary Finder**—By entering personalized information about the specific medications you take, you can get information to help you find the plans in your state that match your prescription drug needs.

You should consider these factors when comparing your Medicare drug plan choices

- **Coverage**—Medicare drug plans will cover generic and brand-name drugs. Most plans will have a formulary, which is a list of drugs covered by the plan. The drugs covered by the plans can change, but the list must always meet Medicare's requirements.
- **Cost**—Monthly premiums and your share of the cost of your prescriptions will vary depending on which plan you choose. If you are eligible for extra help with these costs because you have limited income and resources, you will get help with some or all of these costs.
- **Convenience**—Drug plans must contract with pharmacies in your area. Check with the plan to make sure the pharmacies in the plan are convenient to you.

You can join a Medicare prescription drug plan in the following ways

- **By paper application**—Contact the company offering the drug plan you choose and ask for an application. Once you fill out the form, mail or fax it back to the company.
- **On the plan's website**—Visit the drug plan company's website. You may be able to join online.
- **On Medicare's website**—Join a drug plan at **www.medicare.gov** on the web using Medicare's online enrollment center.
- **By calling 1-800-MEDICARE**—Call **1-800-MEDICARE (1-800-633-4227)** and talk to a Medicare customer service representative. TTY users should call **1-877-486-2048**.